

15 December 2004



Iraq Weekly Status Report

UNCLASSIFIED

DEPARTMENT
OF
STATE



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Highlights

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2.0 Ensure Legitimate Elections

- ï Voter registration ended 15 December.
- ï With campaigning beginning 15 December, 233 political entities, including all of the major political parties, have registered for the 30 January elections.
- ï 7000 individual candidates have registered for the 20 different elections scheduled for 30 January.
- ï 70 different political parties and nine party coalitions have submitted candidate lists to the Independent Electoral Commission of Iraq (IECI). The deadline for submitting lists was 15 December for the national election and in Anbar, Ninewa, and Salah ad Din provinces.

3.0 Create Jobs and Provide Essential Services

- ï An international conference on employment in Iraq held, 12-13 December in Amman, Jordan, adopted a Declaration underlining the crucial role of employment in the reconstruction and development of Iraq.



Highlights

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4.0 Establish Foundations for a Strong Economy

- ï On December 13, the WTO General Council accepted the Iraqi application for accession and will establish a Working Party to facilitate the process.

5.0 Establish Good Governance, Rule of Law

- ï USAID's Local Governance Program (LGP) staff held three democracy education conferences hosting 225 Iraqis. The focus of the conference was on human rights and the relationship between Islam and democracy. Discussion points included democratic principles, media programs, women's rights, Islamic traditions and religious leaders and their roles.

6.0 Maintain International Engagement and Support

- ï Elections Canada will host an organizational meeting of some 20 countries in Ottawa from 19-20 December on developing a framework for international monitoring of Iraq's January election.
- ï NATO announced the expansion of its training of Iraqi security forces.



[1.0] Neutralize the Insurgents ñ Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	50,798	135,000
Civil Intervention Force	1,091	3,720
Emergency Response Unit	147	270
Border Enforcement	14,999	29,360
Highway Patrol	141	6,300
Bureau of Dignitary Protection	484	500
Army	3,428	27,000
National Guard	40,115	61,904
Intervention Force	2,062	6,584
Special Operations Force	674	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>484</u>	<u>582</u>
Total	*114,590	273,689

* The military forces continue to receive advanced unit training.



[2.0] Ensure Legitimate Elections ñ **Developments**

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Election Planning continues:

- ï Amid talk of a rolling election date, IECI remains firm in its focus on 30 January.
- ï The Sunni-based Iraqi Islamic Party has submitted a list of 275 candidates for the national election to the IECI.
- ï A union of 22 political parties, mainly Shi'ite, announce United Iraqi Alliance list on 9 December.
- ï IECI received a list of 228 names of mainstream Shia candidates supported by the United Iraqi Alliance (UIA).
- ï Denmark became the first country to establish a Memorandum of Understanding (MOU) with The International Organization for Migration (IOM) for Out of Country Voting. IOM has set up offices in most of the 14 Out of Country voting countries and initiated negotiations on MOUs in several countries, including the United States.
- ï IECI plans to announce media regulations for campaigning this week.
- ï The IECI office for West Baghdad was attacked, killing three workers.

Elections Monitoring:

- ï Elections Canada will host meetings of some 20 countries in Ottawa from 19-20 December to develop a framework and implementation plan for international monitoring.

United Nations:

- ï The UN announced this week that it would officially monitor Out of Country voting.



[2.0] Ensure Legitimate Elections ñ **Developments**

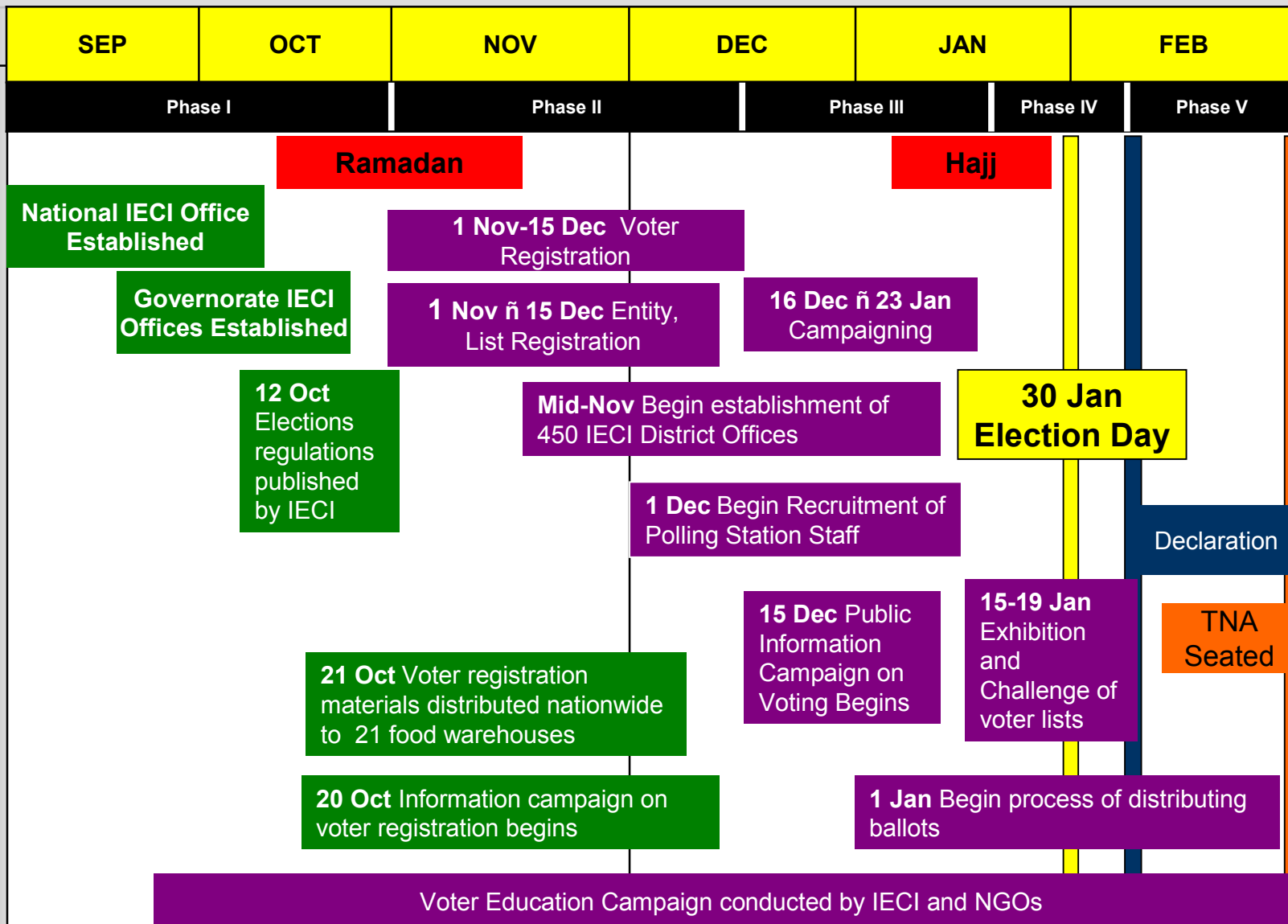
Capacity Building:

- ï More than 100 Iraqi journalists recently completed training in Amman on elections coverage and media rules with IECI participation.
- ï USAID has awarded a cooperative agreement to the US non-governmental Consortium for Election and Political Processes Strengthening (CEPPS). This agreement has a \$50 million ceiling, of which \$23 million has been obligated to date. Under the agreement:
 - The National Democratic Institute for International Affairs (NDI) continues to train domestic elections monitors through its Coalition for Iraq Non-partisan Election Monitors (CINEM) program.
 - The International Republican Institute (IRI) continues to conduct party coalition building and list formation trainings and is facilitating public outreach on elections, including conducting televised town hall meetings.
 - The International Federation of Electoral Systems (IFES) has established an Iraqi Alliance for Peaceful Elections (IAPE) and produced a toolkit of techniques and approaches to be used in monitoring electoral conflict.
 - Through a \$40 million agreement, IFES is supporting the work of the IECI.
- ï Denmark conducted an elections training event in Kuwait for Iraqi politicians this week.
- ï Germany funded a radio program called "Election Radio" to provide information on the January elections. The program is coordinated by Deutsche Welle and began 15 December.



[2.0] Ensure Legitimate Elections ñ Iraq Elections Timeline

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[3.0] Create Jobs and Provide Essential Services

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International Employment Conference on Iraq:

- ï An international conference on employment in Iraq held 12-13 December in Amman, Jordan, adopted a Declaration underlining the crucial role of employment in the reconstruction and development of Iraq.
- ï The conference was organized by the International Labor Organization in response to a request made at the Doha Iraq Donors Meeting in May 2004 for a coordinated UN and international community response to strengthen the capacity of the government of Iraq to tackle employment issues.
- ï The meeting brought together more than 60 representatives of government, employers, and workers in Iraq including the Minister of Labor and Social Affairs and the Minister of Planning who highlighted reducing unemployment rates in Iraq would be a major contributor to peace and stability in the country.



[3.0] Create Jobs and Provide Essential Services ñ **Economy**

Oil Update:

- ï Crude Oil prices in world markets for the week ending 10 December closed with Kirkuk Crude at \$31.53/barrel, Basra Light at \$26.38/barrel, and the OPEC basket at \$34.22/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO	17,740	20,463	13.3%
USAID	35,292	38,884	9.2%
AIRP	11,600	10,700	-8.4%
MILCON/OMA*	2,039	764	-166.9%
CERP	22,279	22,279	0.0%
MNSTC-I	5,618	7,923	29.1%
IRRF NON-CONSTRUCTION	29,787	32,213	7.5%
GRAND TOTAL	124,355	133,226	6.7%

*Operations and Maintenance included for the first time three weeks ago



[3.0] Create Jobs and Provide Essential Services ñ **Water and Sanitation**

Water Treatment Plants:

- ï As of 8 December, 43 water treatment plants are under construction and 11 water treatment plants have been completed. Total water treatment capacity is currently 432,000 cubic meters.

Waste Water Treatment Plants:

- ï As of 8 December, 11 sewer projects are under construction and 2 sewer projects have been completed.
- ï Work continues on the rehabilitation of a wastewater treatment plant in An Najaf. The treatment plant will have the capacity to treat sewage for approximately 141,000 of the city's 563,000 residents.
 - ñ With the project 85% complete, activities are now focusing on making final equipment upgrades and training Iraqi staff in operation and maintenance. Training activities are underway, with a Process and Plant Operation training module in progress. The plant is scheduled for completion in February 2005.
- ï The 1st Cavalry Division's 91st Engineer Battalion has stepped in at the request of the local Neighborhood Advisory Council to help fix sewage system problems in Gazaliya, a community of about 250,000.
 - ñ The first step in the project is to repair two local pump stations, then clean the sewer lines. One stipulation of the project is that 90% of all unskilled labor must be hired from the local area.



[3.0] Create Jobs and Provide Essential Services ñ Food Security

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Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï MOT II (pulses, vegetable oil/ghee, tea, infant cereals and adult milk) will meet the needs of the Public Distribution System (PDS) in December and January.
- ï The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of shipments.
- ï The Ministry of Trade has reported that all Letters of Credit (L/Cs) have now been issued for MOT II and contracts have been amended accordingly. Independently, the Trade Bank of Iraq reports that all but one L/C have been fully funded.
- ï For December, in order to avoid wheat shortages, the MOT will mix foreign and domestic supplies (75:25) for milling and distribution. Additionally, the MOT reported they awarded a contract for 100,000 MT of wheat flour. Further details on this contract are pending.
- ï On 18 November, the MOT III tendering process closed. The MOT plans to award those contracts by the end of this week which will fulfill February, March and April 2005 requirements.



[3.0] Create Jobs and Provide Essential Services ñ Health Care

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Community Projects:

- ï A portion of a U.S. supplemental fund will be dedicated to training programs for hospital, medical and support staff. This includes training doctors, nurses, and hospital personnel such as receptionists, medical technicians, orderlies, medical records clerks, and medical maintenance personnel.
 - ñ The training will include updating existing skills and introducing new concepts such as preventative medicine, wellness and primary care. The training will be conducted on site in 18 governorates.
- ï USAID's Community Action Program (CAP) has developed 90 community projects in 77 communities in Najaf Governorate valued at \$3.6 million. Initiatives in Najaf have directly benefited 865,769 Iraqis in addition to 654,403 indirect beneficiaries.

Renovating Veterinary Clinics:

- ï The Agriculture Reconstruction and Development Program for Iraq (ARDI) has completed the renovation of the seventh of 12 veterinary clinics and hospitals.
- ï Renovations of veterinary clinics through ARDI grants have also been recently completed in Najaf, Karbala, Dhi Qar, Basrah, Baghdad and Wasit governorates.



[3.0] Create Jobs and Provide Essential Servicesñ Education

School Rehabilitation:

- ï Community Action Groups (CAPs) in Najaf are rehabilitating schools to provide additional educational space and thereby decrease class size. A \$70,000 project benefiting a population of 1,650 will rehabilitate the existing village school, repair the electricity network, and construct three additional classrooms.
- ï A second project, valued at \$75,000, will benefit a village with a population of 3,000 by refurbishing the existing school and repairing the electricity network, as well as constructing five additional classrooms.

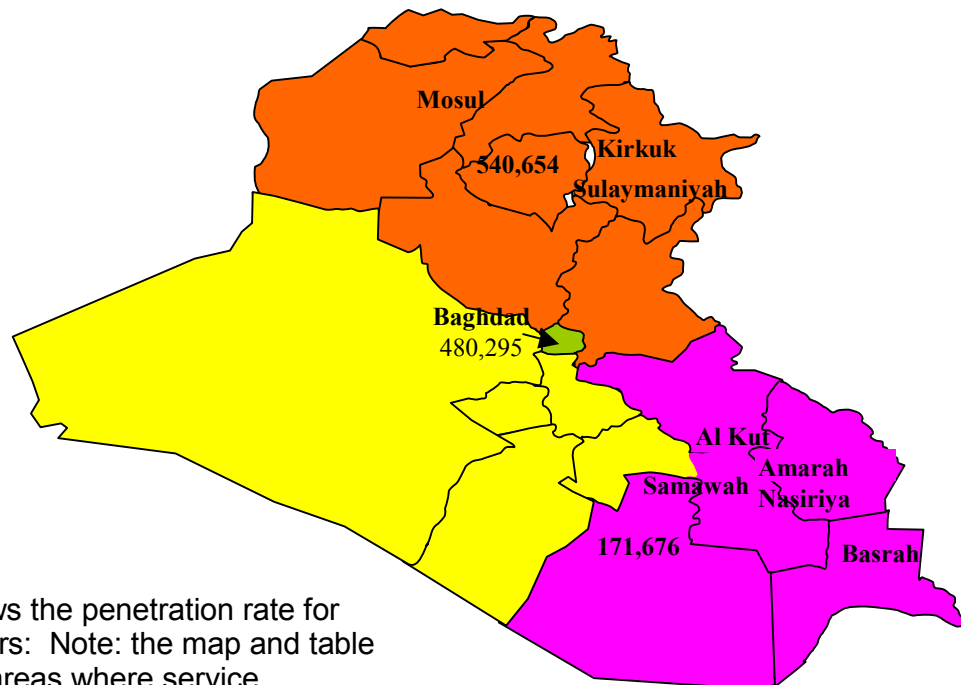
USAID Higher Education and Development Program Update:

- ï USAID's Higher Education and Development (HEAD) program is facilitating a partnership between the State University of New York at Stony Brook and several universities around Iraq that will work to modernize the fields of archaeology, Assyriology and environmental health and to reconnect academics in these disciplines to the international community.
- ï Arrangements are also being made for a major workshop on Cuneiform studies to be held at Yale University and the University of Pennsylvania. This workshop is a follow-on to a major 10-week workshop on Cuneiform held over the summer in Amman, Jordan.

[3.0] Create Jobs and Provide Essential Services ñ Telecommunications



- ï Total number of telephone subscribers in Iraq is now over 2,242,000 (including 1,282,000 cell phone subscribers) ñ 169% above pre-war levels.



This map shows the penetration rate for cell phone users: Note: the map and table only includes areas where service currently exists.

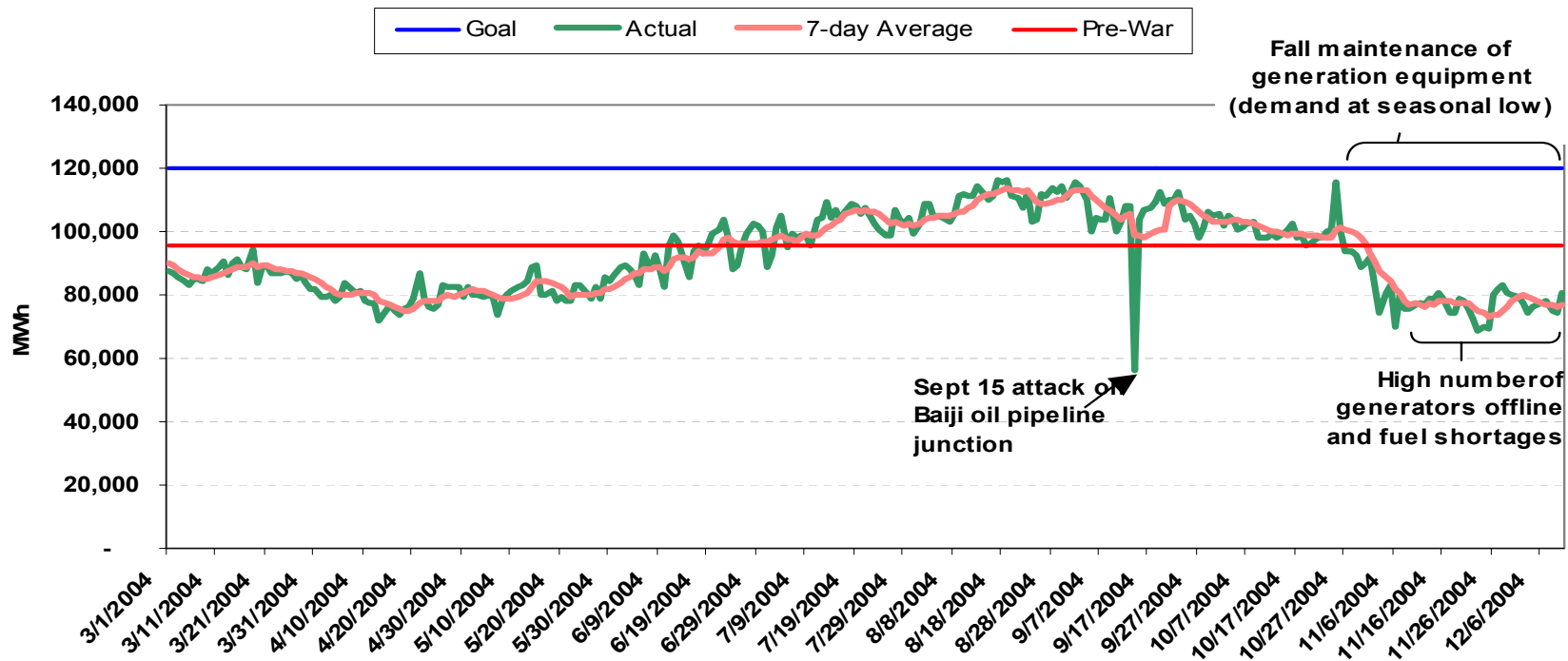
- ï The three major cell phone operators have established interconnection agreements and facilities. Asiacell and Iraqna have established roaming agreements and a pricing policy. Similar roaming agreements with Atheer are still being negotiated.



[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview

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Megawatt-Hour (MWh) Load Served



- ï Approximately 1319 MW of generation capacity was offline due to planned maintenance. Another 1311 MW was offline due to unscheduled maintenance.
- ï Low fuel inventories and increasing winter with cooler temperatures demand coupled with ongoing unplanned outages have significantly decreased the available electricity to the average Iraqi.
- ï 7 Day MWh Average (6-12 Dec): 76,927 MWh.



[4.0] Establish Foundations for a Strong Economy

Developing Local Iraqi Business Centers:

- ï Staff of USAID's Volunteers for Economic Growth Alliance (VEGA) program are laying the groundwork for a series of activities in northern Iraq that will work with Iraqis to establish local business centers and business training programs in the area.
- ï Last week, VEGA worked to build awareness of its initiatives in three regional cities: Arbil, Kirkuk, and As Sulaymaniyah. Foundations were set for future alliances and partnerships with one existing Iraqi business center in each of the three cities, a regional NGO, and other USAID partners. As the program moves forward, VEGA will work with Iraqis to use the existing Iraqi business centers as a base for training activities.
- ï Training modules now in development will include instruction in business planning, loan packaging, senior banker training, advocacy, furniture, grocery, beekeeping, and veterinarian business activities. It is anticipated that the business centers will ultimately serve as incubators for entrepreneurs in these areas. Data has been gathered for a business assessment, and analysis and recommendations are now being developed which will form the content of future training activities.



[4.0] Establish Foundations for a Strong Economy

Iraq Currency and Securities Exchanges:

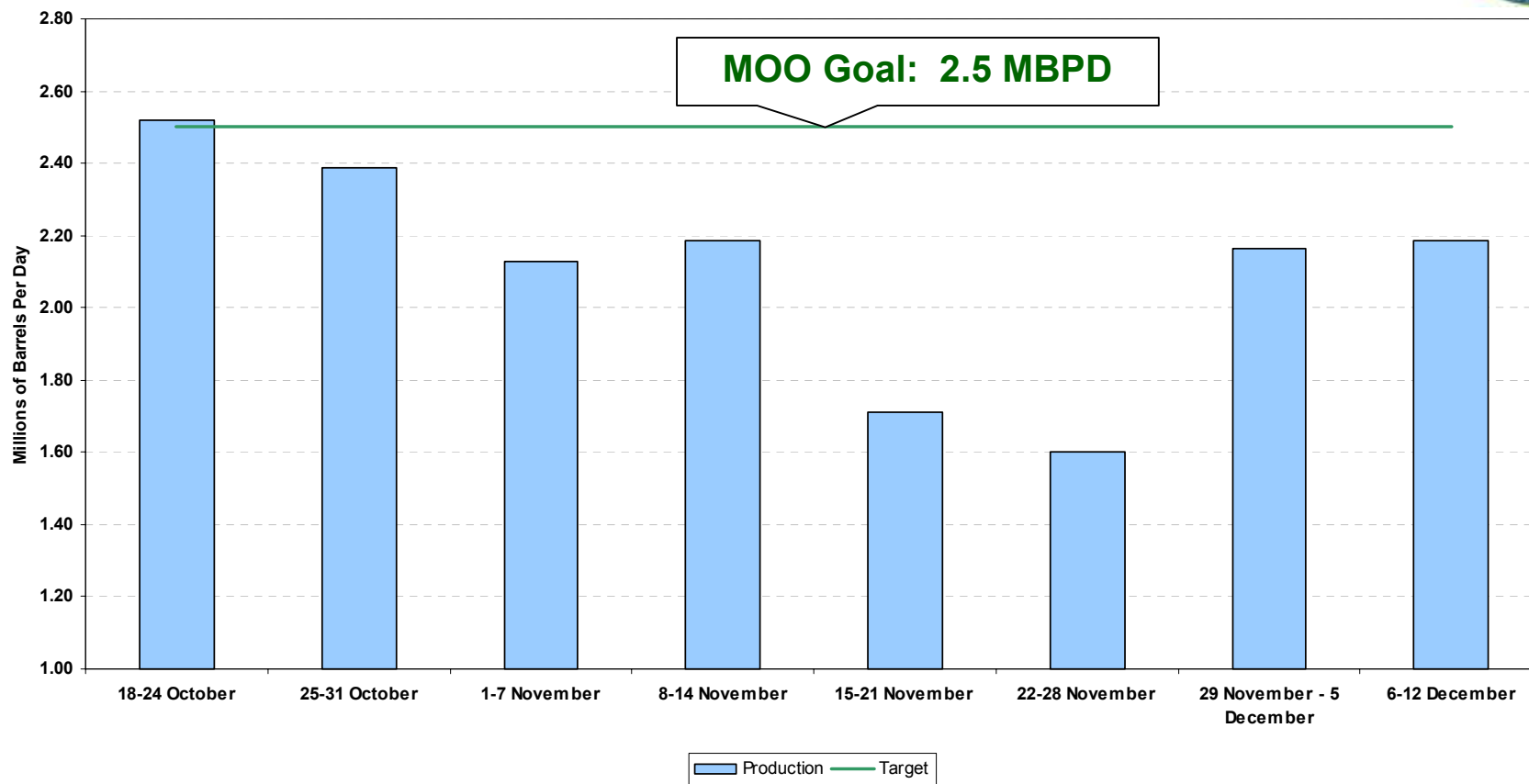
- i At the New Iraqi Dinar (NID) auction on 14 December, the settlement price was 1,460 dinars per USD with a total of 15 banks trading. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of dollars)	Percentage of Total Auction
Al-Warkaa Bank	5,000	28.28%
United Bank	2,000	11.31%
Agriculture Bank	1,820	10.29%
Al-Raseed	1,760	9.95%
Iraq Bank	1,500	8.48%
Total	12,080	68.33%

- ii The Ministry of Finance (MOF) auctioned ID 124.55 billion (about \$85.3 million) in T-Bills on 6 December; the settlement yield was 6 percent with four banks offering winning bids. The following shows the results of the previous 6 auctions:

No. of Auction	Date of Auction	Amount of issue	Term of security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range yields	Cut Off yield	Amount Sold
5	9/12/2004	150.020	91	12/13/2004	7	5	228.250	147.520	154.72	2.00% - 7.20%	4.00%	150.020
6	9/26/2004	150.000	91	12/27/2004	7	5	316.250	146.500	215.87	1.50% - 5.00%	3.20%	150.000
7	10/10/2004	150.020	91	1/10/2005	8	6	289.750	145.270	199.46	2.00% - 5.40%	3.20%	150.020
8	10/24/2004	150.030	91	1/24/2005	10	6	350.000	145.030	241.33	1.00% - 5.40%	2.50%	150.030
9	11/7/2004	150.010	91	2/7/2005	12	7	437.100	145.510	300.39	1.00% - 3.30%	1.10%	150.010
10	11/21/2004	150.010	91	2/20/2005	6	6	281.250	147.010	191.31	1.00% - 5.00%	1.20%	150.010
11	12/5/2004	124.550	91	3/7/2005	4	4	122.800	122.800	100.00	2.50% - 6.00%	6.00%	124.550

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production



ï Weekly Average (6-12 Dec) of 2.19 MBPD

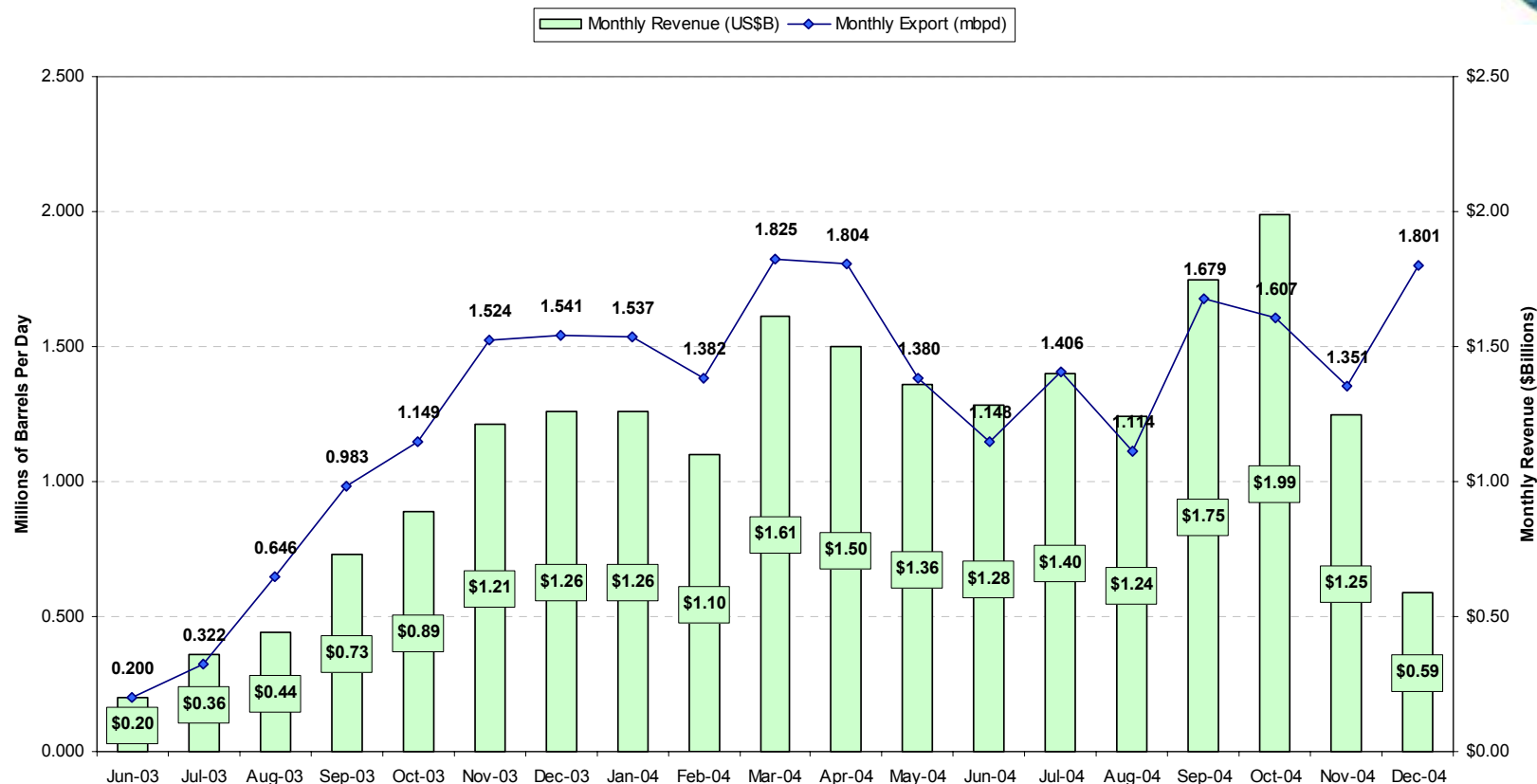
ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



ï 2003 Revenue: \$5,076.6M

ï 2004 Revenue:

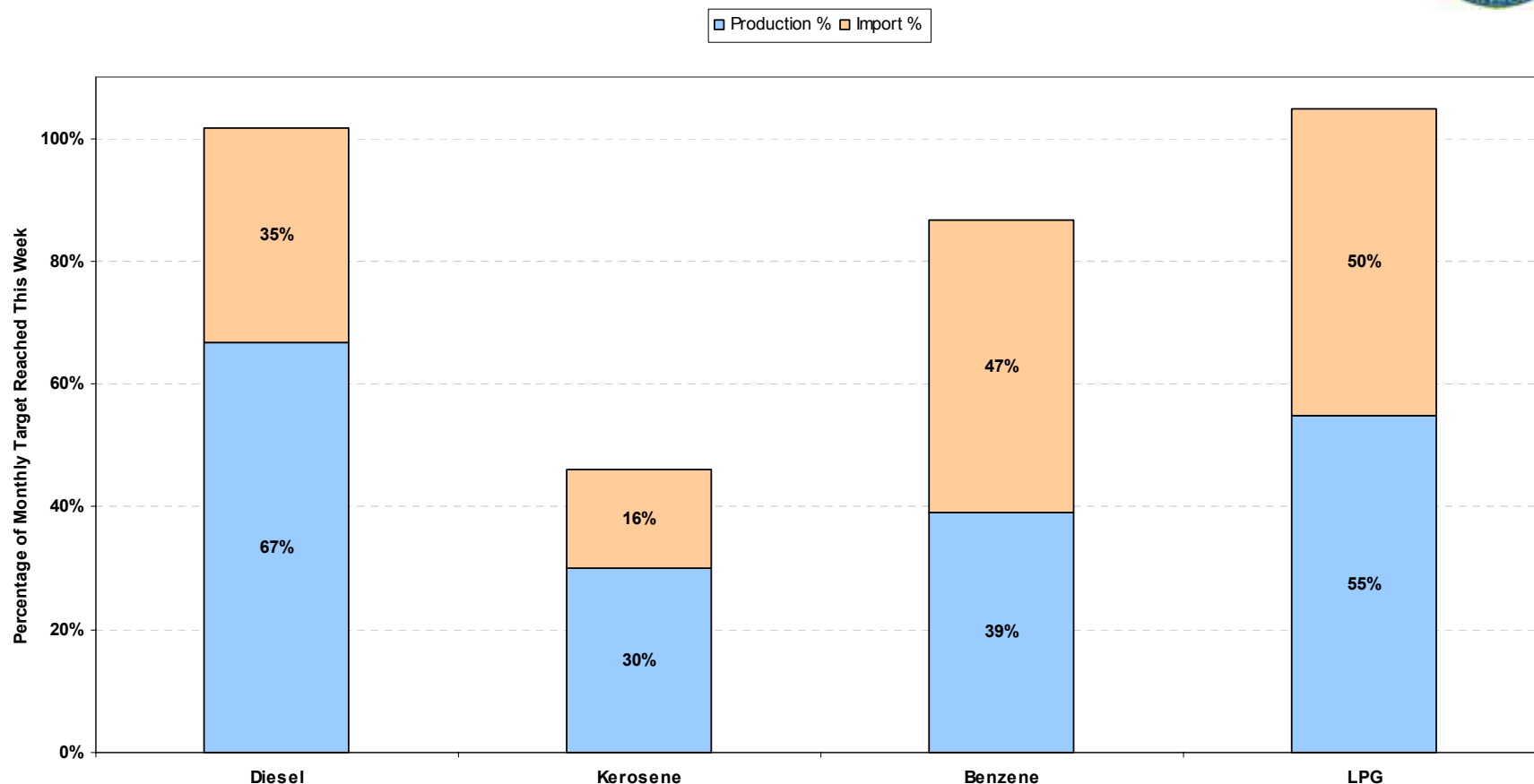
ñ Pre-Transition: \$8,105.2M

ñ Post-Transition (To Dec 12): \$8,183.6M

\$16,288.8M



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the percentage of target reached for the week of 6-12 Dec

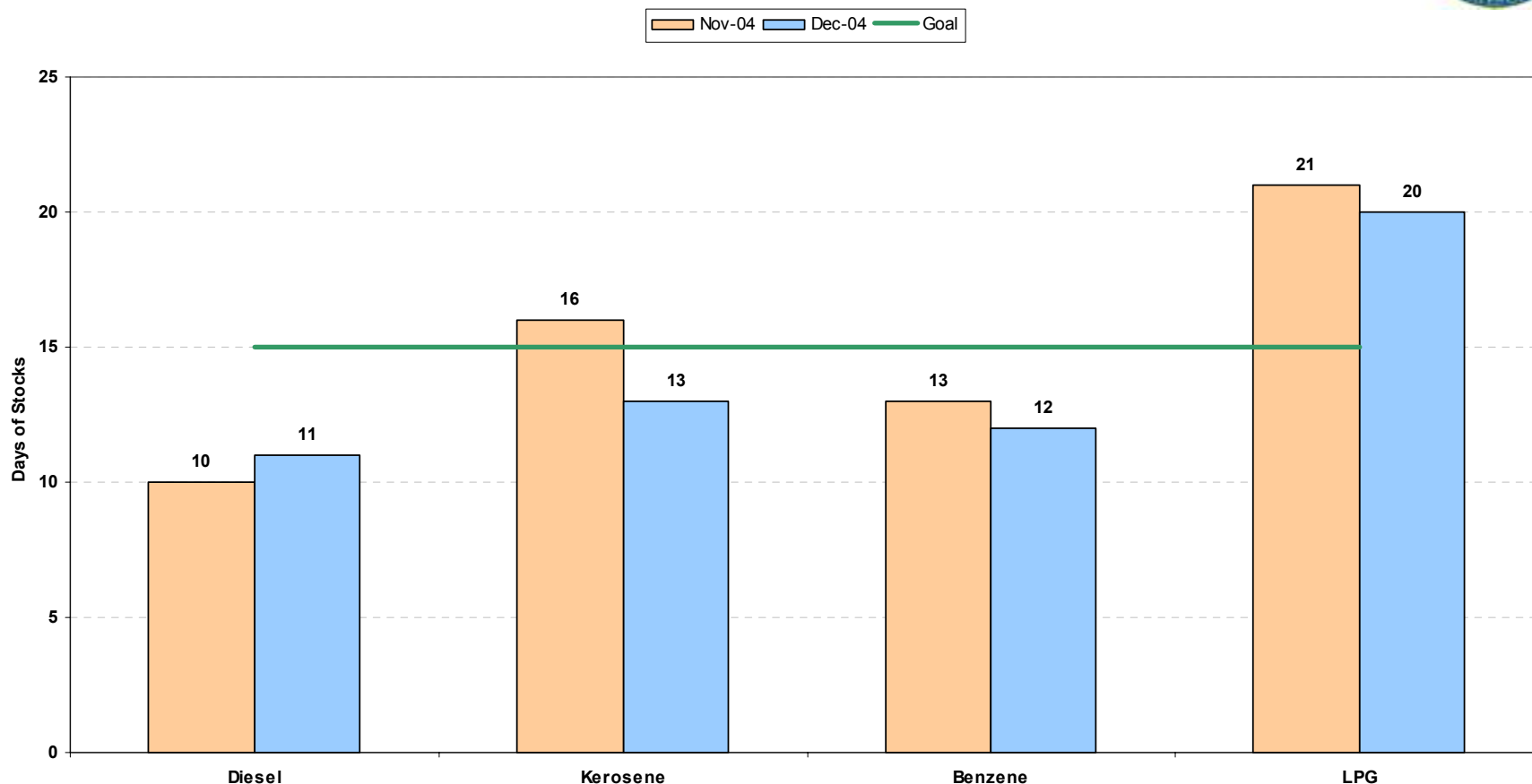
ï Diesel: 18.3 ML of 18 ML

ï Kerosene: 8.3 ML of 18 ML

ï Benzene: 15.6 ML of 18 ML

ï LPG: 4,503 tons of 4,300 tons

[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundations for a Strong Economy ñ IRRF

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Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4278	4410	2930	2995	961	976
Electricity Sector	4350	3627	3460	3460	2421	2455	504	515
Oil Infrastructure	1701	1701	1155	1380	824	795	77	92
Justice, Public Safety, and Civil Society	1121	1120	857	860	572	572	95	105
-Democracy	832	832	577	576	577	576	121	162
Education, Refugees, Human Rights, Governance	379	379	174	174	170	170	36	37
Roads, Bridges, and Construction	359	299	294	295	184	184	27	27
Health Care	786	786	781	781	419	420	10	13
Transportation and Communications	499	443	415	486	229	243	21	21
Water Resources and Sanitation	2311	1365	1340	1339	883	882	35	39
Private Sector Development	843	843	367	368	321	322	50	50
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16469	13727	14158	9559	9643	1966	2066
CONSTRUCTION	11306	9336	8394	8729	5568	5640	1027	1070
NON-CONSTRUCTION	6301	6301	4756	4853	3414	3427	818	835
DEMOCRACY	832	832	577	576	577	576	121	161
IRRF I SUBTOTAL	2475	2475	2418	2418	2418	2418	1768	1768
GRAND TOTAL IRRF I & II	20914	18944	16145	16576	11977	12061	3734	3,834

[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights



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Conference on Human Rights, Islam and Democracy

ï USAID's Local Governance Program (LGP) staff held three democracy education conferences hosting 225 Iraqis. The focus of the conference was on human rights and the relationship between Islam and democracy. Discussion points included democratic principles, media programs, women's rights, Islamic traditions and religious leaders and their roles.

Fallujah's Internally Displaced Persons (IDPs)

ï The Ministry of Health continues to provide support to the Internally Displaced Persons (IDP) populations around Fallujah. The majority of this aid currently is in providing medical supplies, but the Ministry is postured to provide for any need that arises.

ï Health Services in Fallujah currently consist of the Fallujah General Hospital, The Jordanian Field Hospital, and a first aid clinic run out of a mosque. Additional health facilities are being prepared as Fallujans return to the city.



[5.0] Establish Good Governance, Rule of Law ñ Justice

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Rule of Law Coordination

- ï INL will be conducting meetings and briefings designed to map out a strategy for integrating the four elements of the Iraqi Criminal Justice system (Police, Investigators, Courts and Corrections).
- ï Iraqi confidence in the Criminal Justice system is crucial in helping defeat the insurgency.

Criminal Justice

- ï The Iraq Police development program includes eight weeks of basic training for new recruits within Iraq and at the Jordan International Police Training Center. There is additional planning for continued field training and mentoring, as well as a three-week transition training for existing Iraqi police. A number of specialized and advanced training courses are also being taught.
- ï Additionally, 500 international police liaison officers supplied by INL are prepared to supplement classroom instruction by providing field training supervision, mentoring, and technical advice to the civilian police at all levels.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

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NATO:

- ï Meeting in Brussels on 9 December, Foreign Ministers of the 26 NATO countries gave the formal go-ahead for the expansion of NATO's training assistance to Iraq to around 300 personnel to supplement the ongoing training and mentoring of senior level Iraqi security forces.

European Union:

- ï The EU announced that it will stop funding emergency humanitarian programs in Iraq next year to switch to a reconstruction phase budgeted at EURO 100M for 2005.

United Nations:

- ï The United Nations Industrial Development Organisation (UNIDO) announced that 25 Iraqis would participate in an entrepreneurial training program in Bahrain in cooperation with the Arab Regional Centre for Entrepreneurship and Investment Training.

Japan:

- ï Japanese Cabinet approves a 9.9 billion yen (about \$95 million) budget to support some 600 Self-Defense Forces in their extended aid mission to Iraq.



[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors

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Countries with forces in Iraq (in addition to US)

Albania	Estonia	Latvia	Poland
Australia	Georgia	Lithuania	Portugal
Azerbaijan	Hungary	Macedonia	Romania
Bulgaria	Italy	Moldova	Slovakia
Czech Rep	Japan	Mongolia	Tonga
Denmark	Kazakhstan	Netherlands	Ukraine
El Salvador	Korea	Norway	UK

TOTAL ~ 26,000 Forces

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

Iraq Weekly Status ñ General Information



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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov